



AGRICULTURAL BULLETIN

Volume XXIX

© by ROY WENZLICK RESEARCH CORP., 1960

Number 9

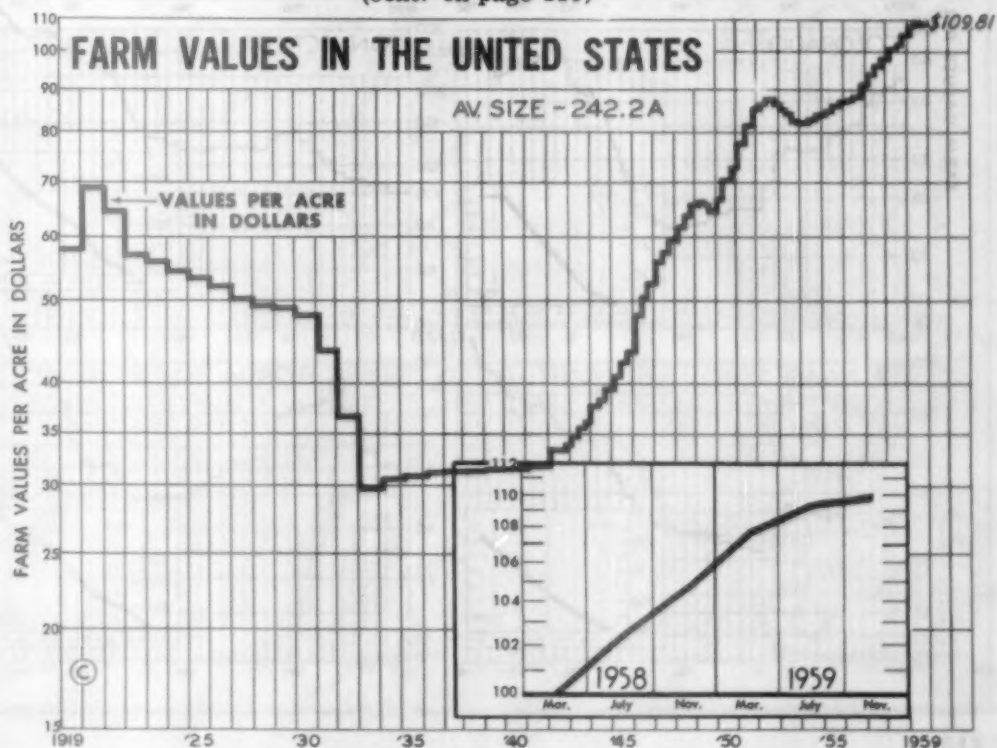
Real Estate Economists, Appraisers and Counselors

FARM VALUES BY STATES

THE average value of farms per acre in the United States increased 5 percent from November 1958 to November 1959. Although the increase was smaller than it was for the previous period, the average value per acre reached a new high of \$109.81. The chart below shows the average value per acre of farms (land plus improvements) in the United States from 1919 to November 1959.

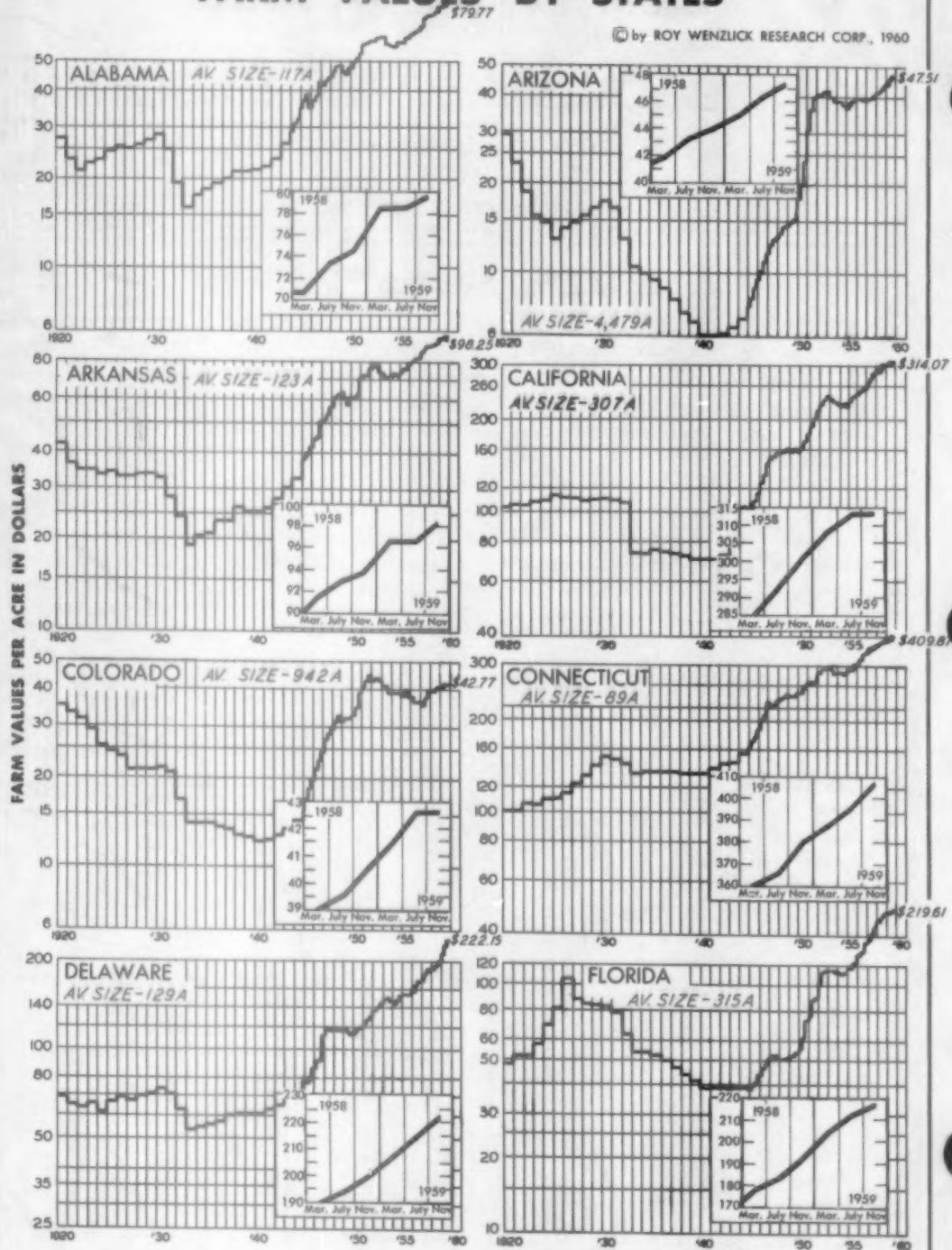
The charts on the following pages show the average value of farm land plus improvements per acre from 1920 to November 1959 for each State. In addition there is listed the average size of farms in each State. Every State shows at least a 2 percent increase from 1958 to 1959, and 17 show increases over 8

(cont. on page 116)



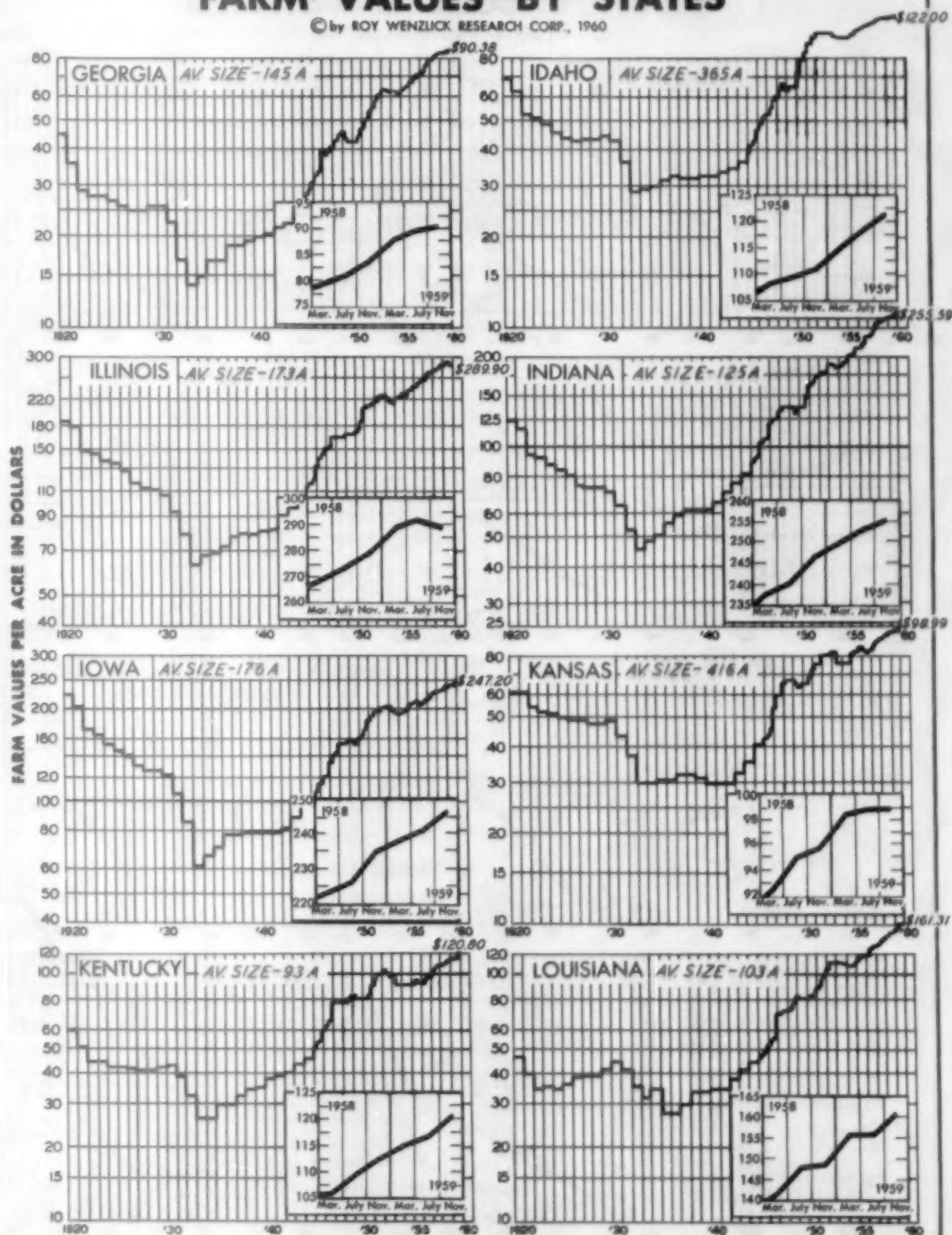
FARM VALUES BY STATES

© by ROY WENZLICK RESEARCH CORP., 1960



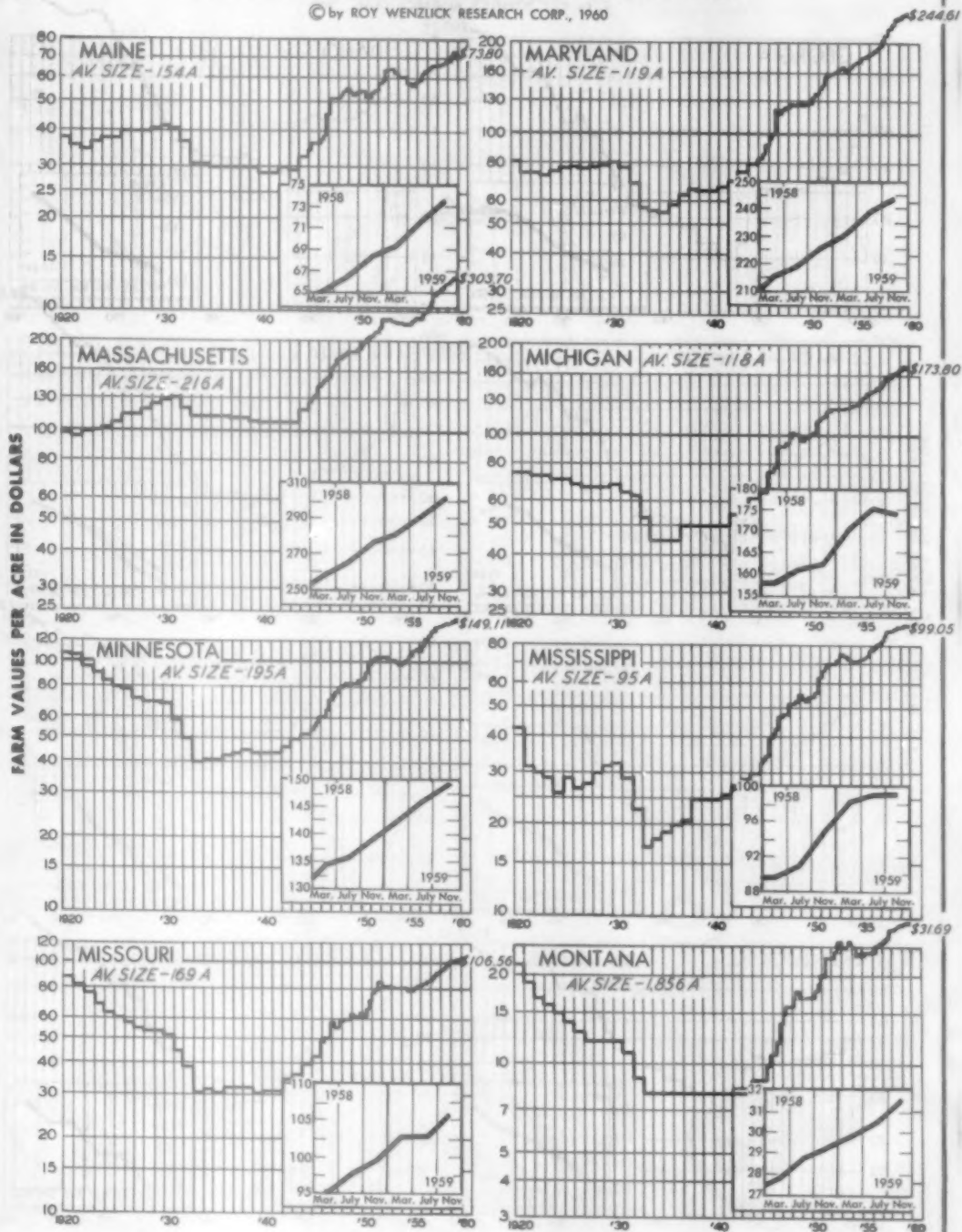
FARM VALUES BY STATES

© by ROY WENZLICK RESEARCH CORP., 1960



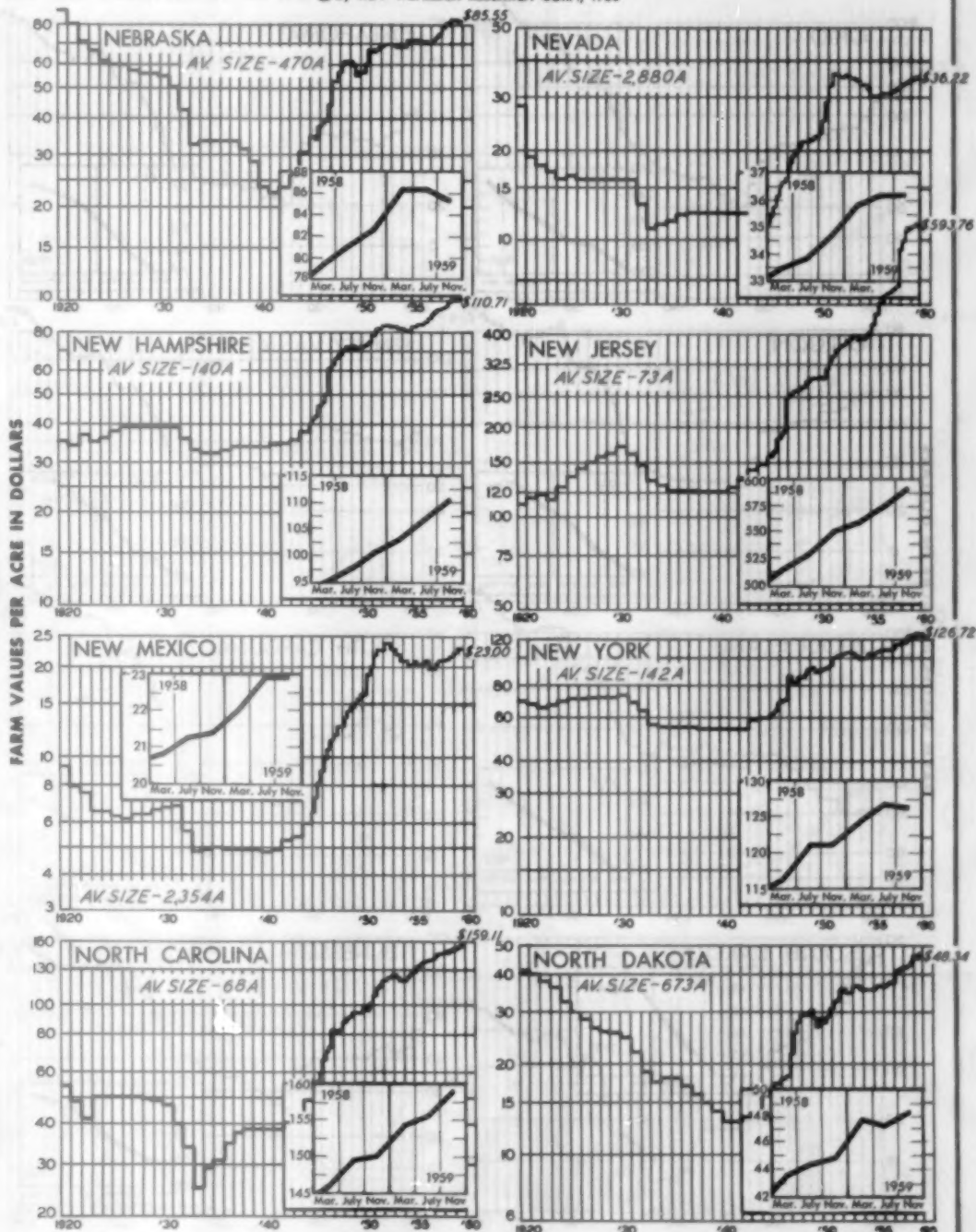
FARM VALUES BY STATES

© by ROY WENZLUCK RESEARCH CORP., 1960



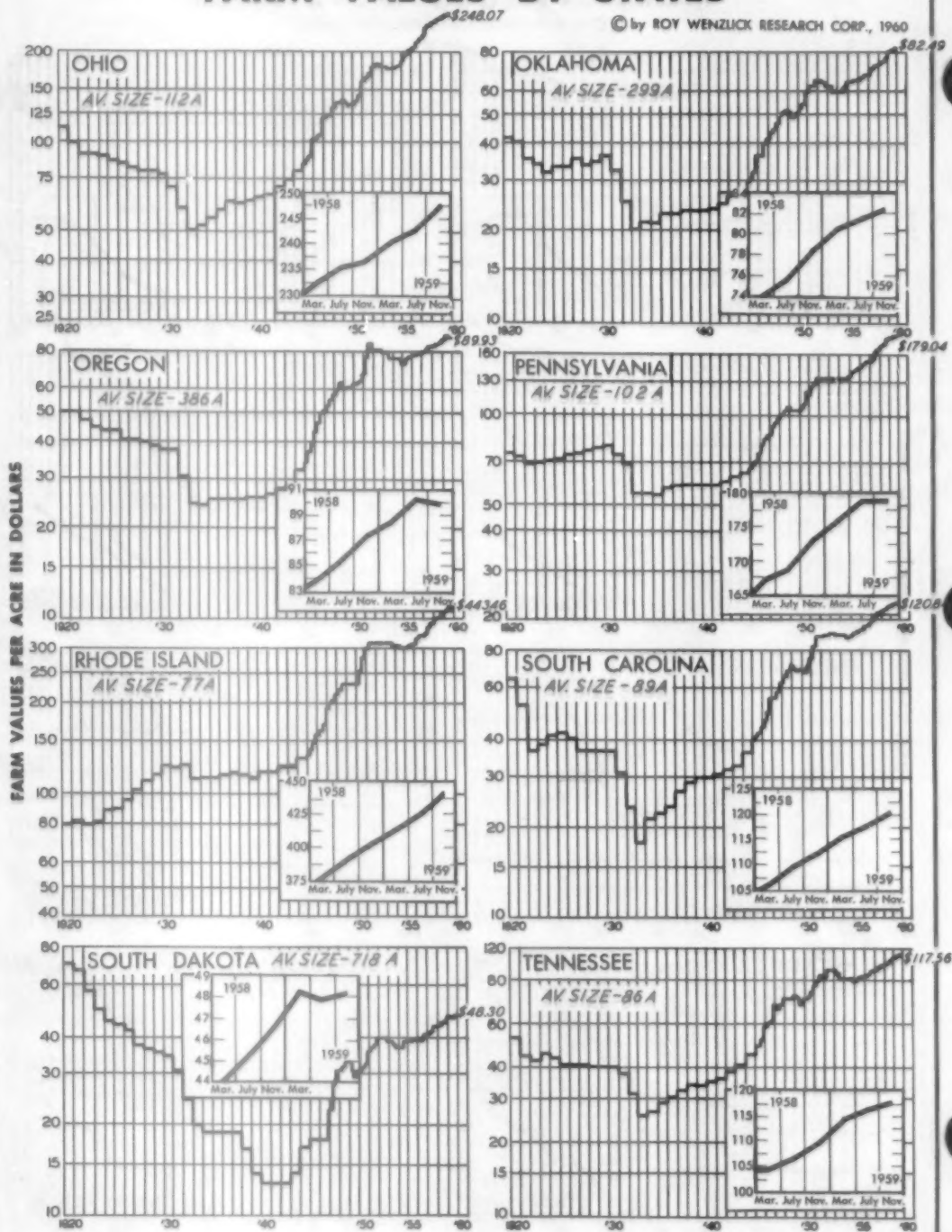
FARM VALUES BY STATES

© by ROY WENZLICK RESEARCH CORP., 1960



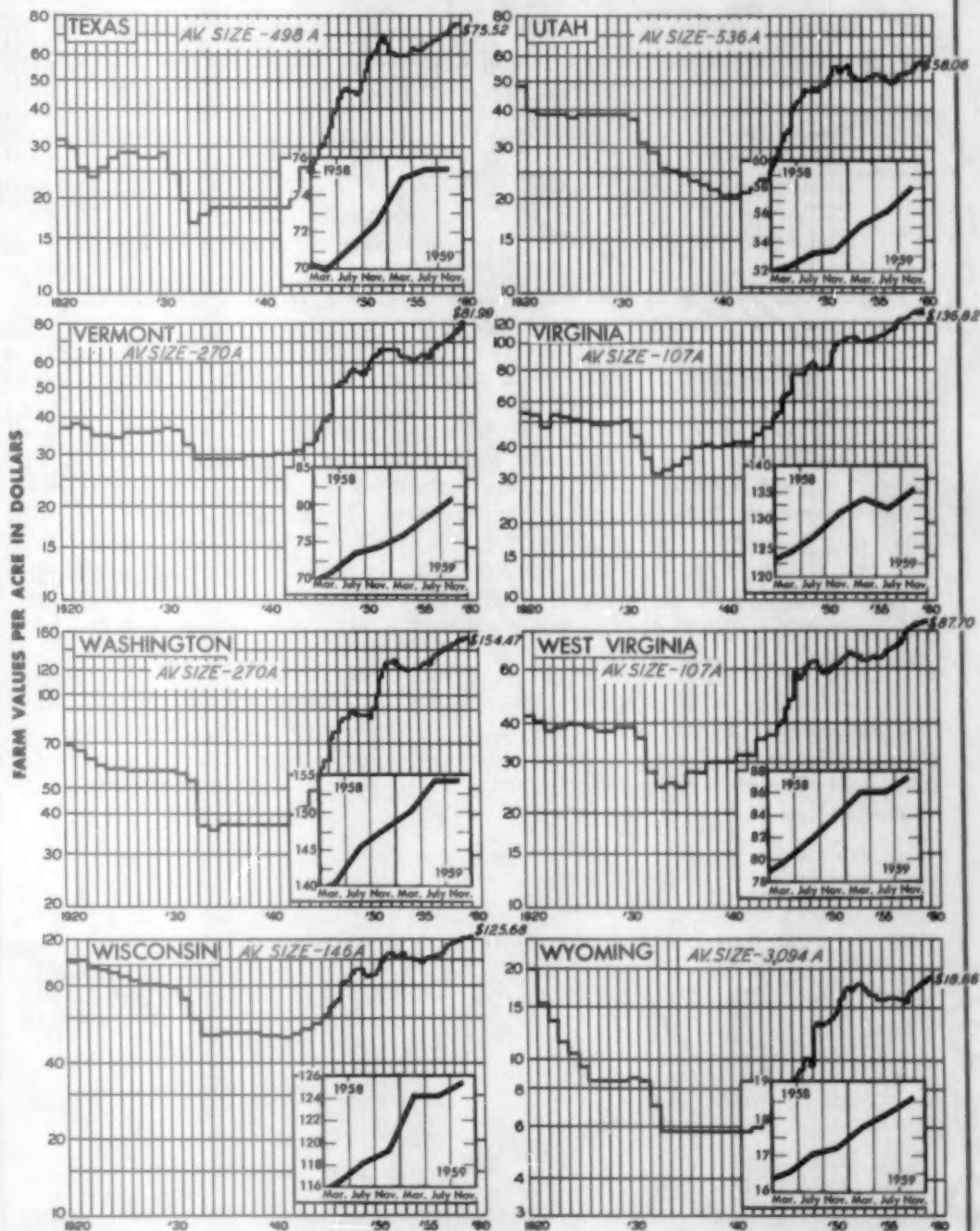
FARM VALUES BY STATES

© by ROY WENZLUK RESEARCH CORP., 1960



FARM VALUES BY STATES

© by ROY WENZLICK RESEARCH CORP., 1960



(cont. from page 109)

percent. The average value per acre varies from \$18.66 in Wyoming to a high of \$593.76 in New Jersey.

Farm Values per Acre
Ten Highest States

New Jersey	\$593.76	Illinois	\$289.90
Rhode Island	443.46	Indiana	255.59
Connecticut	409.87	Ohio	248.07
California	314.07	Iowa	247.20
Massachusetts	303.70	Maryland	244.61

The expansion of the urban areas around New York, Philadelphia, and Washington, D. C., has caused the higher values in that area.

The value of land depends on the income that can be derived from its use. Today the return on farm real estate is only 3 percent. During 1955-57 the return was only 4 percent and yet farm values continued to rise. Why? Part of the explanation may lie in the fact that 44 percent of the farms make about 91 percent of the market sales, and that about 43 percent of all farm real estate transfers in 1958-59 were for the purpose of enlarging another farm. It may very well be that the return to the owners of the larger farms is very good and that they want more land. The return to the smaller farmers may not be enough to keep them in business, so they are selling their farms to the larger farmers, who, with good returns, are willing to bid up the price.

If the above reasoning is right, prices of farm land and improvements will continue to rise. Department of Agriculture reporters, however, indicate that demand is slackening and that prices will probably remain about the same for a while. Only 5 percent of the reporters expected some decrease in price, while 20 percent of them expected some increase in the price of nonirrigated farm land.

